

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | ROBERT B. MCCARTHY | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Watertown Retirement Board
FROM: Joseph E. Connarton, Executive Director
RE: Appropriation for Fiscal Year 2019
DATE: November 13, 2017

Required Fiscal Year 2019 Appropriation: **\$18,448,742**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2019 which commences July 1, 2018.

We have not provided the projected appropriations for the next five years in this memorandum. As we mentioned in our November 3, 2017 memorandum, we approved the most recent funding schedule through FY19 only. We understand that the Board is having another actuarial valuation performed as of January 1, 2018. We will approve appropriation amounts beyond FY19 upon its completion.

Attached is the portion of the Fiscal Year 2019 appropriation to be paid by each of the governmental units within your system. The allocation was developed by Sherman Actuarial Services as part of its January 1, 2017 actuarial valuation.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446 Extension 921.

JEC/jrl
Attachment

cc: Town Council
c/o Town Clerk
Town Manager

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Breakouts

	<u>Total</u>	<u>All Others</u>	<u>Housing</u>
(1) Participants			
(a) Actives	556	543	13
(b) Retirees	366	357	9
(c) Inactives	149	149	0
(d) Disabled Retirees	<u>62</u>	<u>61</u>	<u>1</u>
(e) Total	1133	1110	23
(2) Payroll of Active Participants	\$35,192,067	\$34,381,067	\$811,000
(3) Normal Cost			
(a) Total Normal Cost	3,618,860	3,538,950	79,910
(b) Expected Employee Contributions	2,956,549	2,896,726	59,823
(c) Administrative Expenses	<u>280,000</u>	<u>273,817</u>	<u>6,183</u>
(d) Net Employer Normal Cost (a) - (b)	662,311	642,224	20,087
(4) Actuarial Accrued Liability	197,794,001	191,831,824	5,962,177
(5) Assets*	<u>161,808,944</u>	<u>156,931,478</u>	<u>4,877,466</u>
(6) Unfunded Actuarial Accrued Liability (4) - (5)	35,985,057	34,900,346	1,084,711
(7) Amortizations*	17,926,271	17,727,857	198,415
(8) Total Required Employer Contributions (3d) + (7)	18,588,582	18,370,081	218,502
(9) Fiscal 2018 Cost	\$16,923,496	\$16,603,521	\$319,975
(10) Fiscal 2019 Cost	\$18,448,742	\$18,148,742	\$300,000
(11) Fiscal 2020 Cost	\$8,300,956	\$8,000,956	\$300,000
(12) Fiscal 2021 Cost	\$781,039	\$481,039	\$300,000
(13) Fiscal 2022 Cost	\$834,755	\$534,755	\$300,000
(14) Fiscal 2023 Cost	\$813,235	\$530,493	\$282,742
Percentage of Total Cost	100.0%	98.4%	1.6%

* Allocation is based on the ratio of the Unfunded Actuarial Accrued Liability
The Housing Authority's Unfunded Liability is amortized to 2022